



FUEL TAX BONDING OPTIONS: The formula for estimating your first year's bond is as follows: **Total # of gallons (line 23) x \$.25 x 2 = Amount of bond required.** OR: If the fuel type is **PROPANE**, use \$.181; if the fuel type is **NATURAL GAS**, use \$.197.

1. *Surety Bond* - To set up a surety bond, call your insurance company; a form is enclosed. Use this form only if you decide to get a bond through an insurance company. Otherwise, discard it.
2. *Cash Bond* - A "cash bond" is a cashier's check, money order, or other certified funds made out to the Idaho State Tax Commission. It will not accrue interest. If you choose this type of bonding, the check must be made payable to the Idaho State Tax Commission. We will hold the money for the duration that you hold your fuel distributor license.

The bond must be in the names of the licensee and the Idaho State Tax Commission, and the original documents must come to our office.

3. *Certificate of Deposit (CD)* - The interest accrued on a CD will go to you. If your bank holds the actual CD or does not issue a certificate, call for a special form.
4. *Joint Savings Account* - The interest accrued on a joint savings account will go to you. Call for a special form.
5. *Irrevocable (Standby) Letter of Credit (ILC)* issued by a bank doing business in Idaho. It must include the following items:
 - A. Issuing institution
 - B. Licensee's Name
 - C. Effective Date
 - D. Expiration Date and Place
 - E. Idaho State Tax Commission as the Payee
 - F. Dollar Amount Covered
 - G. Terms of the Letter
 - H. Letter Number
 - I. Authorized Signatures

If you have questions, please call (208) 334-7701. Thank you.